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E.O. 12958: DECL: 06/09/16
TAGS: [PARM](#) [PREL](#) [ETTC](#) [EFIN](#) [PGOV](#) [CH](#)

SUBJECT: E.O. 13382 DESIGNATIONS OF FOUR CHINESE ENTITIES

REFS: A. 05 STATE 120771
[1](#)B. 05 BEIJING 13326
[1](#)C. 05 BEIJING 13327
[1](#)D. 05 BEIJING 13328
[1](#)E. 05 STATE 207039
[1](#)F. 05 BEIJING 20109
[1](#)G. 05 BEIJING 20110
[1](#)H. 05 BEIJING 20008

CLASSIFIED BY EAP/CM DIRECTOR ROBERT GOLDBERG FOR REASONS
1.4 (B) AND (D).

[1](#)1. (U) This is an action request. Embassy Beijing,
please see paragraph 4. All other posts, please see
paragraph 5.

[1](#)2. (U) Background: On June 28, 2005 the President issued
Executive Order (E.O.) 13382 authorizing the U.S. to block
or "freeze" the assets of weapons of mass destruction
(WMD) proliferators and their supporters (ref A). E.O.
13382 authorizes the Secretary of the Treasury, in
consultation with the Secretary of State, the Attorney

General, and other relevant agencies to designate
individuals or entities determined to be owned or
controlled by, or acting or purporting to act for or on
behalf of, directly or indirectly, those entities or
individuals designated in the Annex of E.O. 13382 or
subsequently designated pursuant to E.O. 13382. In
addition, E.O. 13382 authorizes the Secretary of the
Treasury, in consultation with the Secretary of State, the
Attorney General, and other relevant agencies to designate
individuals or entities determined to have provided, or
attempted to provide, financial, material, technological
or other support for, or goods and services in support of,
individuals or entities designated in the Annex to E.O.
13382 or subsequently designated pursuant to the Order.

Persons that are designated under the Order are denied access to the U.S. financial and commercial systems, and U.S. persons, wherever located, are prohibited from engaging in transactions with them.

¶3. (S/NF) Background continued: During the summer of 2005, the USG initiated a diplomatic effort with China to use the E.O. 13382 designation process to elicit broader Chinese enforcement of its export controls. The effort focused on ten entities deemed to be serial proliferators and included three rounds of bilateral U.S.-China consultations in August, November, and December 2005 (refs B-H). The Chinese government, however, has not demonstrated that it has taken effective, specific steps to address U.S. concerns about the behavior of Chinese serial proliferators. Most recently at the June 7 U.S.-China Nonproliferation Dialogue in Washington, China did not offer any information on measures it had taken with regard to the ten entities. As a result, the Department of the Treasury's Office of Foreign Assets Control (OFAC) will publicly announce in Washington on 13 June 2006, 1030 EDT, the designation of four of the ten Chinese serial proliferators that have been the subject of E.O. 13382 consultations -- Beijing Alite Technologies Company Ltd. (ALCO), LIMMT Economic and Trade Company Ltd., China Great Wall Industry Corporation (CGWIC), and China National Precision Machinery Import-Export Corporation (CPMIEC). The designations will be published on OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List) found at www.treas.gov/ofac.

¶4. (U) Action Request for Embassy Beijing: Washington requests Embassy Beijing to deliver the points in paragraph 6 to appropriate Chinese interlocutors as close as possible to 1800 hours on 13 June local time. Points may be left as a non-paper.

¶5. (U) Action Request for all other posts: Washington requests that after Washington's official announcement (1030 EDT on 13 June) posts notify Proliferation Security Initiative Operational Experts Group (PSI OEG) points of contact that four Chinese entities -- Beijing Alite Technologies Company Ltd. (ALCO), LIMMT Economic and Trade Company Ltd., China Great Wall Industry Corporation (CGWIC), and China National Precision Machinery Import-Export Corporation (CPMIEC) -- have been designated pursuant to E.O. 13382. Posts should also note that these designations will be published on the Office of Foreign Assets Control's (OFAC) consolidated List of Specially Designated Nationals and Blocked Persons (SDN List). The SDN List can be found at www.treas.gov/ofac. A consolidated list of E.O. 13382 designees can be found at www.treas.gov/offices/enforcement/ofac/programs/wmd/wmd.pdf.

¶6. (S/Rel China)

Begin Talking Points/Non-paper for China.

-- In the spirit of our nonproliferation cooperation, we are informing you that the U.S. Department of the Treasury will be announcing the designation of four Chinese entities pursuant to Executive Order 13382 (E.O. 13382), thereby blocking their assets and property within the possession or control of U.S. persons and prohibiting U.S. persons from engaging in transactions with them. These designations will be published on the Office of Foreign Assets Control's (OFAC) consolidated List of Specially Designated Nationals and Blocked Persons (SDN List) on June 13, 2006. The SDN List can be found at www.treas.gov/ofac.

-- While the United States has welcomed China's readiness to engage in diplomatic talks on Executive Order 13382, most recently on June 7 in Washington, our designation process has proceeded in light of serious concerns we have about continued evasion of China's export controls by

certain Chinese entities, and the support of these entities for Iran's ballistic missile programs.

-- Accordingly, on June 13 we will designate the following four Chinese entities pursuant to E.O. 13382:

1) Beijing Alite Technologies Company Ltd. (ALCO) - ALCO has continued efforts to provide Iranian missile organizations with missile-related and dual-use components;

2) LIMMT Economic and Trade Company Ltd. - LIMMT has continued to supply or attempt to supply Iran's military and missile organizations with controlled items;

3) China Great Wall Industry Corporation (CGWIC) - has continued to provide goods to Iran's missile program; and

4) China National Precision Machinery Import-Export Corporation (CPMIEC) - within the last two years, CPMIEC has sold the Shahid Bakeri Industrial Group goods which are controlled under the Missile Technology Control Regime.

-- The basis for the designation of these four companies is the USG determination that they have provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, the Aerospace Industries Organization, the Shahid Hemmat Industrial Group, and/or the Shahid Bakeri Industrial Group.

-- The Aerospace Industries Organization, the Shahid Hemmat Industrial Group, and the Shahid Bakeri Industrial Group are Iranian entities identified by President Bush in the Annex to E.O. 13382. E.O. 13382 authorizes the Secretary of the Treasury, in consultation with the

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Secretary of State, the Attorney General, and other

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relevant U.S. agencies, to designate additional entities and individuals providing support or services to the entities designated pursuant to the Order.

-- The Executive Order and designations pursuant to the Order are not targeted specifically at any state or region, but at entities and individuals around the world

that are engaged in WMD proliferation and/or in providing support or services for such proliferation activities.

-- While the United States acknowledges and appreciates the progress that China has made in the area of export controls, the USG encourages China to further augment its export enforcement and to take more robust steps to permanently stop the activities of serial proliferators.

-- For its part, the United States will continue to take the actions necessary to disrupt and dismantle the networks that support proliferation and expose proliferators' activities to the international community such that others can take similar action, pursuant to their own legal authorities, to deny them access to their financial and commercial systems.

-- We remain committed to working with you on ways to prevent future such designations and will continue our dialogue on entities and persons of proliferation concern.

-- We request that you not make public this action until after its official USG release.

End Talking Points/Non-paper for China.
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